



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

cotton in its possession. Six days after the beginning of this suit the vendee was adjudged bankrupt; his receiver in bankruptcy and the garnishees claim that the lien obtained by the suit in the state court is rendered void by § 67 f of Bankruptcy Act of 1898. The trial court held that the vendor's lien had become effective by service of the garnishment summons and was not dissolved by the bankruptcy; the Supreme Court of Louisiana reversed this decision on the ground that the garnishment proceedings did not bring the property into the possession of the state court, which was necessary for the creation of the statutory vendor's lien. (132 La. Ann. 231, 61 So. 212.) The vendor took the case to the United States Supreme Court by writ of error, where it was held that the lien was dissolved by § 67 f. *Lehman Stern & Co. v. S. Gumbel & Co.* (1915) 35 Sup. Ct. 307.

The plaintiff insisted that the garnishment operated as a seizure of the cotton and that while § 67 f may have dissolved the lien created by the attachment it did not affect the lien given by statute on the cotton, relying on *Henderson v. Mayer*, 225 U. S. 631, in which it was held that § 67 f did not avoid a landlord's lien by distress for rent. See also *In re Emslie*, 102 Fed. 291, 42 C. C. A. 350, and *In re Grissler*, 136 Fed. 754, 69 C. C. A. 406, in which mechanics' liens obtained within four months of bankruptcy were held not to be avoided because not "obtained through legal proceedings." But when the Supreme Court of Louisiana decided that the statutory vendor's lien had failed for lack of actual seizure of the cotton, the only lien left was the lien arising from the garnishment, and it seems clear that this was avoided by § 67 f. Such liens have always been held to be "obtained through legal proceedings" and to be dissolved by subsequent adjudication of the debtor within four months thereafter. *In re McCartney*, 109 Fed. 621; *In re Beals*, 116 Fed. 530; *In re Ransford*, 194 Fed. 658; *Longley v. McCann*, 90 Ark. 252; *Cavanaugh v. Fenley*, 94 Minn. 505. The effect of dissolution is to transfer to the trustee in bankruptcy the indebtedness of the garnishee to the bankrupt, and he has the exclusive right to lay claim to and collect the same. *Wright-Dalton-Bell-Anchor Store Co. v. Sanders*, 142 Mo. App. 59, 125 S. W. 517.

BANKRUPTCY—EXECUTORY CONTRACT—Plaintiff, claiming that involuntary bankruptcy proceedings against a partnership constituted an anticipatory breach of an executory contract, filed his claim in the bankruptcy court for damages resulting from such breach. The claim was rejected as not provable (*In re Inman*, 175 Fed. 312.) Whereupon he sued defendant, one of the partnership firm, in a state court, and a demurrer to his petition was sustained on the grounds that, since the intervening cause was beyond the control of the partnership or any of its members in the sense of being a voluntary act or breach, the injury resulting was *damnum absque injuria* and further, that since he had not appealed from the decision in the bankruptcy court the question was *res judicata*. Upon appeal the demurrer was sustained and final judgment entered for defendant (*Lesser v. Gray*, 8 Ga. App. 605, 70 S. E. 104). The United States Supreme Court on appeal, affirmed the decision of the Georgia Court of Appeals. *Lesser v. Gray*, 35 Sup. Ct. 227.

The two grounds of demurrer placed the plaintiff in a dilemma: if the bankruptcy terminated the contract, the defendant never was liable; if, on the other hand, the defendant was liable for the breach, the liability was a provable claim against him and was discharged. It is to be regretted that the Supreme Court did not see fit even so much as to intimate which view it inclined to take on the mooted question of the provability of claims arising from anticipatory breach of executory contracts by the intervention of bankruptcy proceedings. There seems to be a sharp conflict of opinion among the inferior federal courts on this point. In support of the provability of such claims for damages, are the following cases: *In re Pettingill*, 137 Fed. 143; *In re Swift*, 105 Fed. 493, 112 Fed. 315; *In re Scott Transfer Co.*, 216 Fed. 308; *In re Duquesne Incandescent Light Co.*, 176 Fed. 785; *In re Neff*, 157 Fed. 57; *In re National Wire Corp.*, 166 Fed. 631; *Wood v. Fisk*, 156 App. Div. (N. Y.) 497. CONTRA: *In re Imperial Brewing Co.*, 143 Fed. 579; *In re Inman*, 175 Fed. 312.

BANKRUPTCY—JURISDICTION OF COURT—SUMMARY PROCEEDINGS.—A court of bankruptcy is without jurisdiction in a summary proceeding to decree specific performance of a contract made by a bankrupt, by directing his trustee to execute a conveyance of land. *Dreyer v. Perkins*, (C. C. A. 1914) 217 Fed. 889.

A careful search fails to disclose an instance in which this question has been presented heretofore. Within the limits of their own particular subject matter, courts of bankruptcy in a limited sense possess the powers of courts of equity and may take cognizance of equitable rights and may administer equitable relief. *In re Swofford Bros. Dry Goods Co.*, 180 Fed. 549; *In re Gillaspie*, 190 Fed. 88; *In re Siegel-Hillman Dry Goods Co.*, 111 Fed. 980; *In re Rochford*, 124 Fed. 182. But they are special creatures of statutory law and all their jurisdiction is derived from the act which creates them. *Jobbins v. Montague*, Fed. Cas. No. 7330; *In re Williams*, 120 Fed. 38. In accord with the principal case, it is submitted that none of the twenty enumerated powers set forth in § 2 of the Bankruptcy Act of 1898 justifies an attempt on the part of a court of bankruptcy to exercise jurisdiction over a cause of action which does not arise primarily out of a suit in bankruptcy pending before it.

BANKRUPTCY—TITLE OF TRUSTEE—PROPERTY FRAUDULENTLY CONVEYED.—A bankrupt's mother, soon after being sued by a creditor in February, 1912, transferred all her real estate to the bankrupt for a nominal sum and in the spring of 1912 the bankrupt—who had agreed to buy the leasehold, personal property, etc., connected with a hotel property—conveyed the real estate thus obtained from his mother to his grantor in part payment of the purchase price thereof. The creditor of the bankrupt's mother, having obtained a judgment, subsequently in January, 1913, instituted a suit in equity jointly against the bankrupt and his mother to set aside the transfer of the real estate, and in the following October, obtained a decree finding that the transfer was fraudulent, and that property of the mother, equal to \$13,700 had passed into the hotel, which the mother's creditor was entitled to have